



Pasture to Market

Providing beef cattle industry information for producers in North Louisiana

January—February 2016

How will cattle and beef markets be different in 2016? Cattle markets in 2015 transitioned from what 2014 was to more like what 2016 will be. Beef production will be up three to four percent annually from 2015 levels, which was the lowest since 1993. Increased beef production in 2016 is still a low number historically. That increase began with a two percent year over year increase in beef production in the fourth quarter of 2015. Beef production will grow more in the second half of 2016 as limited recent feedlot placements will constrain beef production the first few months of the year.

Beef herd expansion was aggressive in 2015. The annual inventory numbers due out on January 29 will confirm just how aggressive and how the stage is set for 2016. Herd expansion will continue in 2016, though perhaps a bit slower than earlier expected as a result of the market shake-up in late 2015. Feeder cattle supplies will increase on a projected 1.2 percent higher 2015 calf crop but will be tempered by continued heifer retention and lower cattle imports. Cattle imports from Canada were down 27 percent year over year through October and Mexican cattle imports, though up nearly five percent for the year, dropped an estimated 30 percent year over year in the fourth quarter of 2015. Herd rebuilding in both Canada and Mexico and lower U.S. cattle prices will likely keep cattle imports down in 2016.

Changes in meat trade and the situation for competing meats will modify 2016 meat consumption significantly relative to 2015. For beef, 2015 consumption was fractionally higher year over year from 2014 as a surge in beef imports more than offset decreased beef production. In 2016, sharply lower beef imports will likely offset much of increased domestic production and lead to an expected one percent increase in domestic beef consumption. Beef imports began dropping in late 2015 with October imports (latest data) down 13 percent, led by a 33 percent year over year drop in imports from Australia. 2016 beef imports are projected down year over year by 12 to 15 percent. Beef exports are expected to be plus or minus equal to 2015 levels after dropping by nearly 14 percent in 2015. Beef export recovery will be slow but may begin in 2016. Lower beef prices will support beef exports but continuing global economic concerns, especially regarding China, will likely keep the dollar value high and limit beef (and other meat) exports.

Pork production, after jumping 7.4 percent year over year in 2015, will grow much more modestly in 2016, perhaps around one percent. Most of that growth will be in the first quarter of 2016 as peak market hog inventories move through meat markets. The December Hogs and pigs report confirmed that current hog numbers are record high but also showed that peak production is on the ground now and sow farrowings are expected decrease into 2016. Pork exports, up a sluggish 1.9 percent in 2015, are projected to increase six to seven percent in 2016. Modest production increase and better pork exports mean that domestic pork consumption may actually decline fractionally in 2016.

Broiler production is also expected to grow more modestly in 2016; perhaps two to three percent compared to nearly 4 percent in 2015. More importantly, in the absence of any more avian influenza, broiler exports are projected to increase seven to eight percent year over year, compared to a 12 percent drop in 2015. Domestic broiler consumption is projected to increase 1.5 percent in 2016; compared to a 6.2 percent increase year over year in 2015.

Taken together, these changes in meat production mean that total meat production will increase less than 2 percent in 2016, compared to a 2.7 percent year over year increase in 2015. More importantly, meat production combined with trade impacts mean that total meat consumption will only increase fractionally in 2016 following a 4.5 percent year over year increase in 2015. While beef production will increase the most, the overall meat situation will be more favorable in 2016 compared to 2015.—COW/CALF CORNER—The Newsletter From the Oklahoma Cooperative Extension Service, January 4, 2016

Buttercup (*Ranunculus*) Control :

Buttercup is an annual winter weed that is traditionally a problem for us in ryegrass pastures and can extend that aggravation into your early warm season pastures. You will know it as the small yellow flower that usually flowers in spring. It is however present now and can be controlled relatively inexpensively. I have included a picture of buttercup to help you with identification. It is a pretty sure bet that if you had a problem last year and you did not spray early, buttercup will be there again this year.



Studies that Dr. Ed Twidwell have conducted showed that when buttercup is treated between mid-December and mid-February with only 1 pint of 2,4-D per acre they got control of at least 92%. When the treatment was delayed until mid-March, when we normally see buttercup flowering, the control was only 68%. A rate of 1 pint of 2,4-D per acre will not kill white clover. This is only valid for white clover as all other clovers are very sensitive to 2,4-D and will receive severe damage or be killed at even this low rate. Should you choose to postpone your buttercup control to spring, you will need to go up to a rate of 1 quart of 2,4-D per acre to get good buttercup control. However, at that rate all (including white) existing clovers will be killed. Your application of 2,4-D will be most effective if you make your spray on a day when temperatures will exceed 60° F and you have bright sunny weather.

Since not all of the buttercup seeds will germinate in one year it will usually take a few years of spraying to get buttercup out of a pasture, but the key is to spray early before the plant flowers so you can eliminate the future seed source.

La. Master Cattleman Course Offerings:

Louisiana Master Cattleman courses will be offered in Minden beginning Monday, February 8th, and Delhi beginning March 7th. The classes will be every Monday from 6:00 - 9:00 p.m. The cost of La. Master Cattle Producer certification is \$125. This fee covers curriculum, meals, and Master Cattleman metal farm sign. Registration forms are attached. For more information on the Delhi class please contact Jason Holmes at 318-368-2999 or jholmes@agcenter.lsu.edu. For more information on the Minden class please contact Lee Faulk at 318-927-3110 or afaulk@agcenter.lsu.edu.

The following course requirements must be completed to become a La. Master Cattleman:

1) Beef Quality Assurance (BQA) certification

2) Completion of the following three hour lectures:

- Animal Health
- Nutrition
- Reproduction
- Pasture Agronomy
- Cattle Handling
- Breeding & Selection
- Pasture Weeds
- Economics & Marketing
- End Product

Timing is everything (when it comes to colostrum for baby calves) - Producers should provide high risk baby calves (born to thin first calf heifers or calves that endured a difficult birth) at least 2 quarts of fresh or thawed colostrum within the first 6 hours of life and another 2 quarts within another 12 hours. If actual colostrum is unavailable a commercial colostrum replacer should be administered. This is especially important for those baby calves too weak to nurse naturally. Calves born after a long difficult delivery will often be sluggish and slow to get up. Plus they may have respiratory acidosis which will further impair the ability of the calf to absorb the large proteins (antibodies or immunoglobulins).

Timing of colostrum feeding is important because the absorption of immunoglobulins from colostrum decreases rapidly from birth. "Intestinal closure" occurs because specialized absorptive cells are sloughed from the gut epithelium. The very large molecules (immunoglobulins) are no longer absorbed by the intestine and therefore are not released into the circulation. In calves, "closure" is virtually complete 24 hours after birth. Efficiency of absorption declines steadily from birth. In research trials, at 6 hours of age 66% of ingested immunoglobulins were absorbed.

Timing is everything (when it comes to colostrum for baby calves) (continued) - At 12 hours of age only 47% immunoglobulin absorption occurred. Feeding may induce earlier closure, but there is little colostrum absorption after 24 hours of age, even if the calf is starved. This principle of "timing of colostrum feeding" holds true whether the colostrum is consumed directly from the first milk of the dam or supplied by hand.

Thaw frozen colostrum very slowly in warm water so as to not allow it to overheat. A microwave oven can be used only if it is set on low power and the frozen colostrum is very slowly thawed. A slow thaw means denaturation of the protein does not occur. If at all possible, feed the calf natural colostrum first, before feeding commercial colostrum substitutes. Remember, the first feeding of milk or colostrum will induce faster intestinal closure.—*Glenn Selk, Oklahoma State University Emeritus Extension Animal Scientist*

Interesting Start to 2016—Many have provided a series of thoughts on how 2016 may shake out for the cattle industry. Given developments in multiple financial markets it is useful to pause and appreciate the broader situation underpinning the start of 2016 "outside" of the cattle markets to further assess possible upcoming changes within the cattle complex.

The Dow Jones Industrial average and broader Standard & Poor's 500 index were both down 6% in the year's first full week of trading setting records for the worst start to a calendar year. Market pundits point to a host of candidate reasons for the stock market reductions led principally by concerns around China's economic growth and corresponding anxiety around broader global growth in 2016.

What is critical for beef industry stakeholders to appreciate is how ongoing concerns around global economic growth impact prospects for beef demand. A simple yet critical concept to grasp is more adverse economic conditions correspond to weaker global demand for beef. Quickly looking at the sizeable drop in futures market cattle prices last week, when little changed regarding supply fundamentals, clearly illustrates this point. Moreover, one of the key reasons for reductions in cattle prices in 2015 was the strengthening US dollar and adverse global economic growth developments that led to limited beef exports.

While of course no individual producer can change the course of beef demand strength, everyone can do their due diligence in understanding key aspects of what demand is and what influences it. This improved understanding along with focused management of things one can control "in house" (such as critical production cost and product quality control) will position any decision maker to make the most out of any situation. In fact, one can benefit by "making lemons out of lemonade" only if you recognize the customer base for said lemonade. That is, being effective at producing something is only valuable if you have access to a properly identified customer who exists and is willingly and able to purchase your product. Likewise in the beef cattle industry, if one does not fully appreciate demand the prospects for prosperity are certainly restricted.—*LMIC; In The Cattle Markets; January 11, 2016*

Prospects for 2016 & 2017—The main headwind to prices in the next few years is an increasing beef supply driven by herd expansion. However, do not plan for a repeat of 2015's market to occur in 2016. The major factors may move in the same direction, but the large year-over-year increases in competing meat supplies, surging value of the U.S. dollar, and a late-year backlog of over finished cattle in feedlots are not forecast. In terms of prices, when combined, all the factors that caused dramatically lower prices and increased volatility in the cattle market during the fourth quarter of 2015 created an uncommon situation. The 2015 U.S. calf crop was up 1.2%, its first year-over-year gain greater than 1% since 1994. All signs point to a larger percentage increase in 2016. The next USDA annual (January 1) cattle and calf inventory count will be released January 29, 2016. Expectations are for an increase of 2-3% in the 2016 calf crop. Both heifers held for beef cow replacement purposes and beef cows retained will continue growing year-over-year during 2016. LMIC forecasts that commercial cattle slaughter in 2016 should post its first annual increase since 2010. Average dressed weights are forecast to be above a year earlier during the first three quarters of 2016; yet, the final quarter could be down slightly compared to 2015's. U.S. commercial beef production is forecast to be 3% to 4% above 2015's. U.S. beef production is expected to continue growing in 2017 with output up 4% to 5% year-over-year. Still 2017's U.S. beef output will not be large by historical standards; current forecasts are for production to be similar to 2013's.—*LMIC; Analysis & Comments; January 5, 2016*

January - February Beef Cattle Management Tips:

Below are some all-purpose management tips in an abbreviated format that cattle producers should consider for the months indicated. “General” management tips are intended to fit all situations while the “spring calving - January, February, March” and “fall calving - October, November, December” tips are for those specific calving programs. Some producers are likely aware of each tip and have incorporated many into their management programs. Other producers may find these tips to be suggestions to consider in their future management. Regardless, every producer will have to consider how a specific tip might be adapted to fit their individual situation, and some modification of the times provided will be expected. Severe environmental conditions will also dictate some modification of the tips depending on the severity in each location. A more detailed description of management opportunities can be found in numerous AgCenter publications available in the local parish extension office or on the web. Additional scheduling and management details in a worksheet format are available on-line from the LSU AgCenter in the Monthly Beef Cattle Management Calendar & Workbook at:

http://text.lsuagcenter.com/en/crops_livestock/livestock/beef_cattle/production_management/Workbook.

Month	Management	Tip	
January	general	1. Monitor body condition scores; adjust nutrition as needed	
		2. Maintain feeding groups to help meet nutritional needs	
		3. Monitor winter pasture stubble height; keep about 4”	
		4. Limit graze winter pastures to stretch pastures and hay supplies	
		5. Consider high magnesium minerals to prevent grass tetany on winter pastures	
		6. If weathered hay or grain co-products predominate in rations, consider a mineral supplement with higher Vitamin A levels	
	spring calving	1. Determine expecting calving dates to be ready for arrival of first calves	
		2. Monitor pregnant cows, especially first-calf heifers, as calving date approaches	
		3. Monitor replacements so they will be at 2/3 of mature weight at breeding	
		4. Be sure new-born calves are dried off, receive colostrum within 6 hours, and are provided protection from severe winter weather	
		5. Move pairs to clean pasture; monitor calves for scours	
		6. Maintain good calving records; birth date and weight, dam identification	
		7. Feed in the evening to encourage calving during daylight hours	
	fall calving	1. Calculate final calving percentage	
		2. Feed high quality hay / forage to lactating cows	
		3. Establish breeding season by putting bulls out with cows or beginning A.I.	
	February	general	1. Monitor body condition scores to help ensure good rebreeding and calf performance
			2. Evaluate remaining winter feed supplies; adjust usage or purchasing plans
			3. Take soil samples from summer pastures and hay fields
4. Begin to plan for summer fertilization program based on soil tests; consider availability and cost of fertilizer sources			
5. Continue high magnesium minerals on winter pastures			
6. Continue high Vitamin A if weathered hay or grain co-products predominate in rations			
7. If in good body condition, consider marketing cull cows as market improves			
8. Begin review of haying equipment needs, repairs, and supplies			
9. If conditions allow, consider prescribed pasture burns to increase forage quality and reduce weeds and brush			
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Month	Management	Tip
February	spring calving	1. Consult with a veterinarian for pre-breeding vaccination needs
		2. Finalize heifer selection on breeding goals, performance, soundness, and disposition
		3. Determine number of bulls needed for upcoming breeding season
		4. Make bull selections; see May-June 2011 newsletter for purchase price comparisons
		5. Arrange for breeding soundness evaluations
		6. If using A.I., have ample semen and breeding supplies on hand
	fall calving	1. Determine percentage of cows returning to heat 40 days into breeding season
		2. Recheck bulls for breeding soundness if high percentage of cow return to heat
		3. Monitor bull condition; adjust nutrition as needed
		4. Consider limit-fed grain or winter pasture creep if cow lose excessive condition

		Week of 1/8/2016	Week of 1/1/2016	Week of 1/9/2015
<i>Data Source: USDA-AMS Market News</i>				
5-Area Fed Steer	all grades, live weight, \$/cwt	\$ 133.95	\$ 123.40	\$ 169.67
	all grades, dressed weight, \$/cwt	\$ 211.52	\$ 199.60	\$ 270.26
Boxed Beef	Choice Price, 600-900 lb., \$/cwt	\$ 226.24	\$ 207.16	\$ 252.76
	Choice-Select Spread, \$/cwt	\$ 6.40	\$ 7.76	\$ 9.53
500-600 lb. Feeder Steer Price	Mississippi statewide market average, M&L #1-2, \$/cwt	\$ 175.00		\$ 270.00
	Missouri statewide market average, M&L #1, \$/cwt	\$ 190.86	---	\$ 288.02
	Oklahoma City market average, M&L #1, \$/cwt	\$ 196.26	---	\$ 289.12
Feed Grains	Corn, Kansas City, \$/bu	\$ 3.58	\$ 3.64	\$ 3.78
	Corn, Pine Bluff, AR, \$/bu	\$ 3.55	\$ 3.62	\$ 4.12
	DDGS, Eastern Corn Belt, \$/ton	\$ 132.50	\$ 135.00	\$ 185.00
	Soybean Meal, Rail, Central IL, \$/ton	\$ 276.40	\$ 276.80	\$ 406.20
	Cottonseed Meal, Memphis, \$/ton	\$ 257.50	\$ 255.00	\$ 322.50
	Whole Cottonseed, Memphis, \$/ton	\$ 285.00	\$ 285.00	\$ 265.00

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